

CITY OF NEWPORT  
GOODS AND SERVICES CONTRACT

**Removal of Sludge from Backwash Pond**

BASED UPON the quotes submitted in response to the City of Newport's Request for Proposals for the Removal of Sludge from Backwash Pond, as issued and administered by City of Newport (City), City and Fire Mountain Farms, Inc. (Contractor) hereby enter into a contract for services in accordance with the specifications and quote provided.

All terms of the following exhibits are hereby incorporated by reference into this Contract, and Contractor agrees to comply with each:

- (1) Exhibit A – Request for Quotes
- (2) Exhibit B – Contractor Quote
- (3) Exhibit C – Oregon Public Contracting Requirements for Goods and Service Contracts

1. Term. The term of this Contract shall extend from its execution to project completion, unless extended for additional periods of time upon written mutual agreement of both parties. Notwithstanding this Term, City reserves the right to terminate this Contract as outlined in this Agreement.
2. Scope of Work. Contractor shall provide all materials, labor, equipment, and all other services and facilities necessary for the services specified in the attached Exhibits A and B (Project). Work shall be completed within 90 days of the date given in the Notice to Proceed.
3. Compensation.
  - 3.1 Basis of Payment. Contractor shall complete Project as defined above and in the attached exhibits for the prices in Exhibit B, with an estimated total fee of \$656.85/dry ton. The City estimates excavating 150 dry tons at a total estimated price of \$98,527.50.

*Quantities will be measured utilizing ASTM D 2216-05 for determining moisture content of soil and rock by mass. A daily composite sample will be collected and tested by a certified testing company contracted by the City. The dry tons will be calculated by multiplying the percent solids by the total weight hauled.*
  - 3.2 Invoices. Payments shall be based upon Contractor's invoices submitted to City, detailing the previous month's fees and costs.

a. City will review Contractor's invoice and within ten (10) days of receipt notify Contractor in writing if there is a disagreement or dispute with the invoice or Project. If there are no such disputes, City shall pay the invoice amount in full within thirty (30) days of invoice date, subject to a five percent (5%) retainage to be paid only after full performance and acceptance by City.

b. If City fails to make any payment due Contractor for services and expenses within thirty (30) days of the date on Contractor's invoice therefore, late fees will be added to amounts due Contractor at the rate of 1.0 percent (1%) per month from original invoice date. Invoices in dispute are not subject to such late fees until such time as they are no longer in dispute.

4. Permits. City will be responsible for obtaining all permits, approvals and authorizations necessary for Contractor's performance.

5. Termination for Convenience.

This Contract may be terminated by mutual consent of the parties upon written notice. In addition, City may terminate all or part of this Contract upon determining that termination is in the best interest of City by giving seven (7) days' prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Upon termination under this paragraph, Contractor shall be entitled to payment in accordance with the terms of this Contract for Contract work completed and accepted before termination less previous amounts paid and any claim(s) City has against Contractor. Pursuant to this paragraph, Contractor shall submit an itemized invoice for all unreimbursed Contract work completed before termination and all Contract closeout costs actually incurred by Contractor. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Contractor can show good cause beyond its control for the delay.

6. Termination for Cause. City may terminate this Contract effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:

6.1 If City funding is not obtained and continued at levels sufficient to allow for purchases of the indicated quantity of services. The Contract may be modified to accommodate a reduction in funds.

6.2 If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.

6.3 If any license or certificate required by law or regulation to be held by Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed.

7. Termination for Default. Either City or Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination, the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach within fifteen (15) days of the date of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

If Contractor fails to perform in the manner called for in this Contract or if Contractor fails to comply with any other provisions of the Contract, City may terminate this Contract for default. Termination shall be effected by serving a notice of termination on Contractor setting forth the manner in which Contractor is in default. Contractor shall be paid the Contract price only for equipment installed and services performed in accordance with the manner of performance as set forth in this Contract.

8. Remedies. In the event of breach of this Contract, the parties shall have the following remedies:

8.1 If terminated under paragraph 7 by City due to a breach by Contractor, City may complete the work either itself, by agreement with another contractor, or by a combination thereof. If the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then Contractor shall pay to City the amount of the reasonable excess.

8.2 In addition to the above remedies for a breach by Contractor, City also shall be entitled to any other equitable and legal remedies that are available.

8.3 If City breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

8.4 City shall not be liable for any indirect, incidental, consequential, or special damages under the Contract or any damages arising solely from terminating the Contract in accordance with its terms.

8.5 Upon receiving a notice of termination, and except as otherwise directed in writing by City, Contractor shall immediately cease all activities related to the services and work under this Contract.

9. Standard of Care. Contractor warrants that the work to be performed pursuant to this Contract shall be done in a good and workmanlike manner and will conform to the highest standards prevalent in the industry or business most closely involved in providing the equipment and services City is purchasing.
10. Reports. The Contractor shall provide City with reports as detailed in Contractor's proposal, at a minimum of once per month, outlining the Project progress, issues of concern and budget status.
11. Change Orders. Contractor and City reserve the right to order changes to the equipment and services to be provided herein. Contractor and City shall determine a fair and equitable cost and, if required, additional time for such changes. All such changes shall be ordered and agreed to in writing by both parties.
12. Confidentiality. Contractor shall maintain the confidentiality, both external and internal, of any confidential information to which it is exposed by reason of this Contract. Contractor warrants that its employees assigned to this Contract shall maintain necessary confidentiality.
13. Security and Substance Check. Contractor agrees that each of its employees and subcontractor's employees involved in this Project may, at the option of City and in compliance with Contractor policy, be subject to a security background check and/or substance abuse testing.
14. Access to Records. For a period of not less than three years after City's final payment to Contractor, Contractor shall permit the City, the State of Oregon and the Federal Government (if State or Federal funding is involved) to have access to all books, documents, papers and records of Contractor which are pertinent to the Services provided hereunder for purposes of audit, examination, excerpts and transcripts. Contractor shall retain those records for at least three years, or until litigation is resolved if litigation is instituted.
15. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier;

**CITY:**

City of Newport  
 169 SW Coast Highway  
 Newport, OR 97365  
 Phone: (541) 574-3366  
 Fax: (541) 265-3301

**CONTRACTOR:**

Fire Mountain Farms, Inc.  
 Robert Thode, President  
 856 Burnt Ridge Road  
 Onalaska, WA 98570  
 Phone: 1-360-266-0695

16. Warranty. Contractor's warranty shall warrant all goods and services for 1 year from the completion date of the project. Contractor further warrants that all materials, equipment, and/or services provided under this Agreement shall be fit for the purpose(s) for which intended, for merchantability, that material and equipment shall be properly packaged, that proper instructions and warnings shall be supplied, and that the Project shall conform to the requirements and specifications herein. Acceptance of any service and inspection incidental thereto by City shall not alter or affect the obligations of Contractor or the rights of City.
17. Insurance. Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this Agreement. The insurance shall cover all activities of the Contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverages:

17.1. Commercial General Liability Insurance

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form (1996 ISO or equivalent). This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Aggregate	\$1,300,000
Products-Completed Operations Aggregate	\$1,300,000
Personal & Advertising Injury	\$1,300,000
Each Occurrence	\$1,300,000
Fire Damage (Any one fire)	\$50,000
Medical Expense (Any one person)	\$5,000

#### 17.2. Commercial Automobile Insurance

Contractor shall also obtain, at Contractor's expense, and keep in effect during the term of the contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,200,000.

#### 17.3. Workers' Compensation Insurance

The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract that are either subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers or employers that are exempt under ORS 656.126. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

#### 17.4. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City as an additional insured with respect to this Agreement.

#### 17.5. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage of Contractor's insurance without 30 days prior written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days prior notice of cancellation to the City

#### 17.6. Certificates of Insurance

As evidence of the insurance coverage required by the Agreement, the Contractor shall furnish a Certificate of Insurance to the City. This Agreement shall not be effective until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this Agreement. A renewal certificate will be sent to the City 10 days prior to coverage expiration.

17.8. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

17.9. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in all general liability, professional liability, pollution and errors and omissions policies required by this Agreement.

The procuring of required insurance shall not be construed to limit Contractor's liability under this Agreement.

18. Indemnity. To the extent permitted by law, Contractor shall protect, defend, indemnify and hold the City harmless from and against all claims, demands, damages, costs, actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, trademark or trade secret, arising out of the work performed or goods provided under this Agreement or Contractor's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the sole negligence of City.
19. Force Majeure. This section applies in the event that either party is unable to perform the obligations of this Agreement because of a Force Majeure event as defined herein, to the extent that the Agreement obligation must be suspended. A Force Majeure event is an event that prohibits performance and is beyond the control of the party. Such events may include natural or man-made disasters, or an action or decree of a superior governmental body which prevents performance. Should either party suffer from a Force Majeure event and be unable to perform, such party shall give notice to the remaining party as soon as practical and shall do everything possible to resume performance. Upon receipt of such notice, the parties shall be excused from such performance as it is effected by the Force Majeure event for the period of such event. If such event effects the delivery date or warranty provisions of this Agreement, such date or warranty period shall automatically be extended for a period equal to the duration of such event.

20. Independent Contractor. It is the intention and understanding of the parties that Contractor is an independent contractor and that City shall be neither liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax that may arise as an incident of employment. Contractor shall pay all income and other taxes as due. Industrial or other insurance that is purchased for the benefit of Contractor shall not be deemed to convert this contract to an employment contract. It is recognized that Contractor may or will be performing work during the term for other parties and that City is not the exclusive user of the services that Contractor provides.
21. Assignment. Contractor shall not assign or subcontract any of its obligations under this Agreement without City's prior written consent, which may be granted or withheld in City's sole discretion. Any subcontract made by Contractor shall incorporate by reference all the terms of this Agreement. City's consent to any assignment or subcontract shall not release Contractor from liability under this Agreement or from any obligation to be performed under this Contract, whether occurring before or after such consent, assignment, or subcontract.
22. Governing Law. This Agreement is to be governed by and under the laws of the State of Oregon.
23. Consent to Jurisdiction. The parties hereby consent to jurisdiction of the Lincoln County Circuit Court, Lincoln County, Oregon, over all legal matters pertaining to this Agreement, including, but not limited to, its enforcement, interpretation or rescission.
24. Public Contracting Requirements. Contractor shall comply with all federal, state and local laws and ordinances applicable to the work under this agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code including ORS 279B.020, 279B.220, 279B.230, and 279B.235, as more particularly set forth in Exhibit C, attached hereto and incorporated herein by this reference.
25. Arbitration. If any disputes, disagreements, or controversies arise between the parties pertaining to the interpretation, validity, or enforcement of this Agreement, the parties shall, upon the request of City, submit such dispute to binding arbitration under the Oregon Uniform Arbitration Act, ORS 36.600 et seq. Arbitration shall be requested by delivering to the other party a written request for arbitration. Within five (5) days of receipt of such request, the parties shall select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within five (5) days, an arbitrator may be appointed by the presiding judge of the

Lincoln County Circuit Court, upon the request of either party submitted in accordance with ORS 36.645. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's decision shall be binding upon the parties.

26. Attorney Fees. If suit, action or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this Agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this Agreement without initiating litigation, Contractor agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party.
27. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile transmission shall be binding as original signatures.
28. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Project. No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of both parties, except as otherwise authorized herein.
29. Signatures. This Agreement is not effective unless and until it is approved, signed and dated by an authorized representative of each party.


CITY:

CONTRACTOR:

CITY OF NEWPORT

Fire Mountain Farms, Inc.

By: 

By: 

Title: City Manager

Title: VP OPS

Date: November 3, 2015

Date: 10/28/15

The City of Newport  
Department of Public Works  
Request for Proposal

**Removal of Sludge from Backwash Pond**

The City of Newport will accept sealed proposals for the removal and disposal of approximately 130 dry tons (1.2 MG liquid) of material from the water treatment plant backwash pond. Proposals will be accepted until Friday, September 18, 2015 at 5:00 PM Pacific Daylight Time.

Proposals will be accepted and additional information on this request for proposals can be obtained at the following:

Newport City Hall  
c/o Steve Stewart, Water Treatment Plant Supervisor  
169 SW Coast Highway  
Newport, OR 97365  
(541) 265-7421  
[s.stewart@newportoregon.gov](mailto:s.stewart@newportoregon.gov)

**Project Description and History:**

The City of Newport operates a Water Treatment Plant located at 2810 N. E. Big Creek Road, Newport, Oregon. Backwash water is directed to a clay lined pond where the solids are allowed to settle and the supernatant is pumped to the sanitary sewer via a 300 GPM lift station. The accumulated solids need to be removed and hauled to a City owned disposal site at the east end of NE 71<sup>st</sup> Street in, Newport, Oregon. The distance from the Water Treatment Plant to the disposal site is about 3.4 miles. The road is all paved except the last 300 feet, which is graded gravel. Two security gates can be left open during hauling hours.

The approximate size of the backwash pond shown in the attached drawing is approximately 25,000 SF, and up to 14 feet deep. Access to the pond is limited. The site also has a field approximately 125 feet square. This area has a slight slope toward the northwest (away from the backwash pond), and has a berm along the lower edges. There are several buried pipelines and valves under the field, so it is available only on a temporary basis. Any water containment in this area would also need a liner because the berm was not engineered and the field is perforated with burrows from moles and other rodents.

Removal quantities for the past several years were as follows:

- 2006, 179 dry tons/1.18 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.
- 2008, 131 dry tons/1.1 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.
- 2010, 127 dry tons/1.2 million gallons of sludge were removed using a floating dredge and trucks with semi-tankers.

Current solid percentage is 4-5%. Proposers are welcome to take samples prior to submitting an offer.

**Scope of work:**

1. Dredge/removal of backwash sludge by any acceptable proven means. The pond liner may not be disturbed during dredging or pumping operation.
2. Optional thickening or dewatering by any acceptable proven means.
3. Haul by trucks at proposer's option. Trucks must meet legal weight and length limits. Operating hours are restricted to 7:00 am to 9:00 pm.
4. Discharge will be into a City owned site pre-prepared by the City east of NE 71<sup>st</sup> Street
5. Clean up and restore water treatment plant site to original condition.
6. Do not block plant operations.

Proposers are required to attend a pre-proposal meeting and site visit at 10:00 AM on Thursday, September 11 at the water treatment plant. Please RSVP by calling the Public Works Department at 541-574-3366.

**Payment/Measurement:**

The price will be paid on a dry ton basis. The City of Newport will take samples of sludge from each load and conduct a temperature dependent volumetric calculation to determine the dry weight of each load. The contractor may split samples for verification. The following formula will be used:

$$\text{Dry tons} = (\text{Density of 1 gallon sample} - \text{Density of water at sample temperature}) \times (\text{Truck volume in gallons}) / (2000\text{lbs/ton})$$

EXAMPLE: At 70 degrees F (close to 21 degrees C) the density is 8.329 lb/gal  
Truck volume = 3,000 gallons  
Weight of 1 gallon sample = 9 lb

$$(9\text{lb/gal} - 8.329\text{ lb/gal}) \times (3000\text{ gallons}) / (2000\text{lb/ton}) = 1.62\text{ ton}$$

**Contractor Selection Process:**

Selection process will be made on:

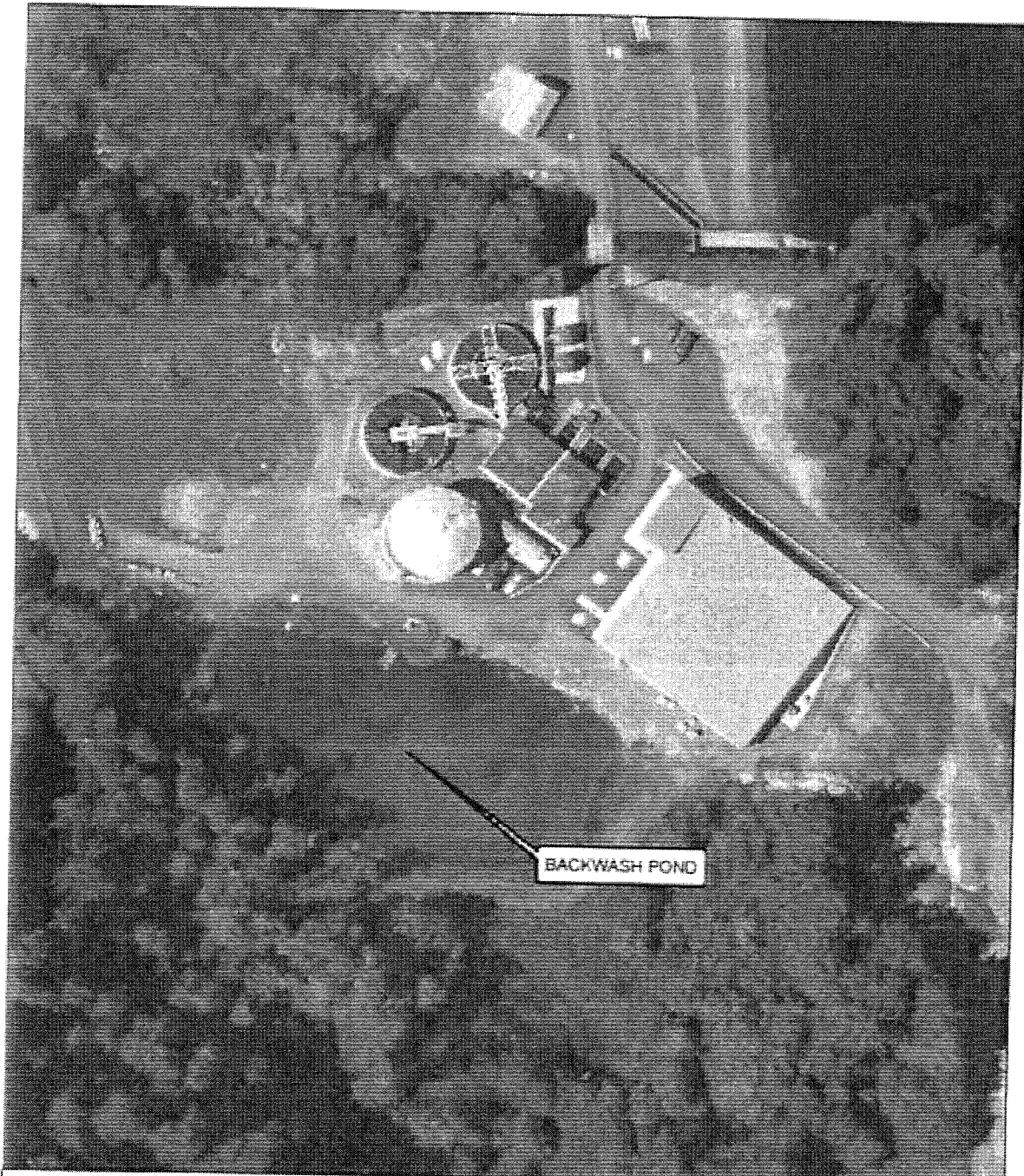
- Proven method and equipment for sludge removal and transportation
- Contractor references from similar jobs
- Price per dry ton of removed material
- Ability to complete work within time-frame

The City reserves the right to reject any proposal it deems to not meet the intent of the Request for Proposal or not in the best interests of the City. Proposals will be evaluated by City Staff including but not limited to the Director of Public Works and the Water Treatment Plant Supervisor. After the proposals are reviewed, the accepted proposal will be presented to the City Council for authorization to begin work. Work will needed to be completed within 90 days from the execution of the contract.

Proposals should include the following:

- A detailed description on how the sludge is to be removed from the backwash pond and how it is transported, and how it is disposed. If the proposal includes thickening or dewatering, the proposed method, equipment must be described. No addition of chemicals can be allowed into the pond water.
- Three references from work of a similar nature including names, phone numbers and a description of the work.
- Price per dry ton of removed material
- Timeframe for completing the work

A copy of a sample Goods and Services Agreement is attached to this RFP. Contractor shall include all insurance, bonding, and permitting costs in their proposal. Contractor is responsible for acquiring all applicable permits.



BACKWASH POND



City of Newport  
Engineering Department  
150 West Coast Highway  
Newport, OR 97331

Phone: 541.274.5248  
Fax: 541.298.5581

# WATER TREATMENT FACILITY CITY OF NEWPORT, OR

This plan is for informational use only and does not constitute a contract. The City of Newport assumes no responsibility for the construction or use of the facility. The City of Newport is not responsible for the design or construction of the facility. The City of Newport is not responsible for the design or construction of the facility.



**Proposal  
for  
Removal of Sludge  
from  
Backwash Pond**

**City of Newport Oregon**

**Submitted by:  
Fire Mountain Farms, Inc.  
856 Burnt Ridge Road  
Onalaska, WA 98570**

**Proposed method of removal:** We propose to use our electric agar head dredge. Dredge power will be supplied by 3304 Cat generator and is wireless remote controlled from the bank. From the dredge slurry will be pumped by lay-flat hose, (6 inch), to an 18,000 gallon frac tank. The frac tank is equipped with pump and load arm.

Trucks will be supplied by Northwest Liquid Transport these are well maintained trucks with experience drivers.

**References:** Attached will be a list of past projects and contacts that can provide references of our work.

**Pricing:** \$656.85 per dry ton.

**Time frame:** The equipment needed on this project is scheduled to complete a project in Idaho by the 15<sup>th</sup> of October. We could move from there to Newport and be complete by the end of October.

**From:**

**Robert Thode, President**

**Fire Mountain Farms Inc.**

856 Burnt Ridge Road

Onalaska, WA 98570

Phone #s

Office and Fax (360)360.266.0695

Cell (360)508-0904

Email [RT@FireMtn.US](mailto:RT@FireMtn.US)

State of Washington Contractors Registration # FIREMTI990UJ

State of Oregon Contractors Registration # CCB147871

State of Idaho Contractors Registration # 007 856-B

Washington Employment Security # 801851 00 9

Washington State Labor & Industries #490,103-01 (workers comp)

Washington State UBI # 601 538 758

KBI Insurance Inc. (503) 692-1520 Policy #SW0003929-00, paid till 12/01/15

Employers Identification number 91-1639995

### **Experience of Fire Mountain Farms, Inc. in Biosolids (Sludge) Management:**

Fire Mountain Farms, Inc. First became involved with the recycling of biosolids in 1984, at that time we were farming 140 acres. Today we are farming 825 acres. Today we have all of our land permitted for Class B biosolids and additional 2200 acres permitted in Lewis, Pacific, Cowlitz, and Pierce Counties with pending sites in Spokane, and Lincoln counties (Washington). We also have experience in permitting in Oregon.

19 years ago we purchased dredging equipment and began dredging lagoons. We are now licensed contractors in Washington, Oregon, Idaho, and Montana. Past projects are listed below. Past projects have been from 150,000 gallons to over 35,000,000 gallons and 11 dry tons to 6000 dry tons. We have a wide variety of application equipment to handle biosolids from 1% to 99% solids.

We have never failed to complete a project.

The following are projects completed in the past few years:

#### **2015:**

##### **City of Ferndale, WA:**

Andy Law (Wilson Eng.) (360)-733-6982 alaw@wilsonengineering.com

Mike- Treatment Plant Op. (360)-851-1508

90 dry tons dredged and applied at 3% solids to city permitted sites

##### **City of Toledo**

Sub-Contractors

Gray & Osborn Inc. (Engineer) (360) 292-7481

Rotschy Inc. (Contractor) (360) 334-3100

Two part project. Phase two dredge, transport and land apply – in progress

Estimate 570 dry tons

##### **City of Deer Park, WA**

Sub-Contractors

Jason cates (208)667-2456

Phase two, dredge, transport and land apply

Estimate 300 dry tons

##### **Stimson Timber, Gaston OR**

Jim Skuzeski—(503) 357-2131

Bill Fasth (541)-602-9110 bfasth@brwncauld.com

800 dry tons of sludge removed and land applied to Stimson permitted sites.

\$395,000

##### **Lincoln City, OR**

Joe Whisler (541)-996-1285 joew@lincolncity.org

600,000 gallons biosolids dredged, transported, and applied at 3% solids to city sites

## 2014:

### City of Ferndale, WA:

Andy Law (Wilson Eng.) (360)-733-6982 alaw@wilsonengineering.com

Mike- Treatment Plant Op. (360)-851-1508

100 dry tons dredged and applied at 3% solids to city permitted sites

\$91,631

### City of Moro, OR

Sub-Contractors

Arron Lawler (Kennedy/Jenks Consultants) (503)423-4901

250 dry ton removed and applied to permitted site.

\$86,000

### City of Toledo

Sub-Contractors

Gray & Osborn Inc. (Engineer) (360) 292-7481

Rotschy Inc. (Contractor) (360) 334-3100

Two part project. Phase one transfer to second lagoon (Complete)

\$42,000

### Sunland Development

Mike Langley- (360)683-3905 swd1@olypen.com

Lagoon clean out, 100 dry ton at 7% solids

\$258,001

### Stimson Timber, Gaston OR

Jim Skuzeski—(503) 357-2131

Bill Fasth (541)-602-9110 bfasth@brwncaid.com

350 dry tons of sludge removed and land applied to Stimson permitted sites.

\$161,971

### City of Deer Park, WA

Sub-Contractors

Jason cates (208)667-2456

Phase 1 transfer solids from lagoon 1&2 to lagoon 3

### City of Dillon, MT

John Manion-(460)493-2568

Dredge and dewater with GeoTubes 500 dry tons

\$258,000

City of the Dalles, OR

Dave Anderson (541)-298-1242

500,000 gallons alum sludge dredged and transferred to drying beds  
\$35,500

Lincoln City, OR

Joe Whisler (541)-996-1285 joew@lincolncity.org

1,815,500 gallons biosolids dredged, transported, and applied at 3% solids to city sites  
\$170,113

City of Troutdale, OR

Amy Pepper

Bill Fasth (541)-602-9110

Biosolids removed from GeoTubes and land applied  
\$61,377

2013:

Longview Lagoon

Sub-Contractors

Rich Gushman – (360) 425-0991

4520 dry tons of sludge land applied to Fire Mountain Farms, permitted sites  
\$673,692

City of Ione, WA

Dan Remmick (Century West) (509) 833-3810

Dredge and dewater with GeoTubes  
\$170,340

City of Troutdale, OR

Amy Pepper

Bill Fasth (541)-602-9110 bfasth@brwnncald.com

309 dry tons removed from GeoTubes and land applied  
\$254,672

Stimson Timber, Gaston OR

Jim Skuzeski—(503) 357-2131

Bill Fasth (541)-602-9110 bfasth@brwnncald.com

780 dry tons of sludge removed and land applied to Stimson permitted sites  
\$330,449

City of Ferndale, WA:

Andy Law (Wilson Eng.) (360)-733-6982 alaw@wilsonengineering.com

Mike- Treatment Plant Op. (360)-851-1508

100 dry tons dredged and applied at 3% solids to city permitted sites  
\$112,776

Bruce Pac

Paul Miller (WWTP) (503) 798-3458

805 dry tons dredged and applied by liquid application on owners site  
\$172,090

Lincoln City, OR

Joe Whisler (541)-996-1285

1,815,500 gallons biosolids dredged, transported, and applied at 3% solids to city sites  
\$186,089

City of Vancouver, WA

Larry Burke (360)-696-8008 larry.burke@ci.vancouver.wa.us

Larry Price-lagoon manager (360)-759-3208

502 dry tons industrial sludge dredged and applied at 3% solids to city permitted sites  
\$86,850

City of the Dalles, OR

Dave Anderson (541)-298-1242

500,000 gallons alum sludge dredged and transferred to drying beds  
\$35,104

**EXHIBIT C**  
**Public Contracting Code**  
**ORS 279C REQUIREMENTS**  
Requirements for Public Improvement Contracts Over \$50,000

1. Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor.
  - (a) ORS 279C.580(3)(a) requires the prime contractor to include a clause in each subcontract requiring contractor to pay the first-tier subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the prime contractor by the public contracting agency; and
  - (b) ORS 279C.580(3)(b) requires the prime contractor to include a clause in each subcontract requiring contractor to pay an interest penalty to the first-tier subcontractor if payment is not made within 30 days after receipt of payment from the public contracting agency.
  - (c) ORS 279C.580(4) requires the prime contractor to include in every subcontract a requirement that the payment and interest penalty clauses required by ORS 279C.580(3)(a) and (b) be included in every contract between a subcontractor and a lower-tier subcontractor or supplier.
2. Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract, and shall be responsible that all sums due the State Unemployment Compensation Fund from Contractor or any Subcontractor in connection with the performance of the contract shall promptly be paid.
3. Contractor shall not permit any lien or claim to be filed or prosecuted against the City on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted.
4. A notice of claim on contractor's payment bond shall be submitted only in accordance with ORS 279C.600 and 279C.605.
5. Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
6. Contractor shall demonstrate to the City that an employee drug-testing program is in place within 10 days of receiving a Notice of Award.
7. Pursuant to ORS 279C.515, if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a

Subcontractor by any person in connection with the contract as such claim becomes due, the City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If the City is unable to determine the validity of any claim for labor or material furnished, the City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.

8. Pursuant to ORS 279C.515, if the Contractor or a first-tier Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract for a public improvement within 30 days after receipt of payment from the City or contractor, the contractor or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the 10 day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to Contractor or first-tier Subcontractor on the amount due shall equal three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District that includes Oregon on the date that is 30 days after the date when payment was received from the public contracting agency or from the Contractor, but the rate of interest shall not exceed 30%. The amount of interest may not be waived.
9. As provided in ORS 279C.515, if the Contractor or a Subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with the public contract, the person may file a complaint with the Construction Contractor's Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.
10. Pursuant to ORS 279C.530, Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
11. Contractor shall employ no person for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, Contractor shall pay the employee at least time and one-half pay for all overtime in excess of eight (8) hours a day or forty (40) hours in any one week when the work is five (5) consecutive days, Monday through Friday; or for all overtime in excess of 10 hours a day or 40 hours in any one week when the work week is 4 consecutive days, Monday through Friday; and for all work performed on Saturday and on any legal holidays as specified in ORS 279C.540.
12. Pursuant to ORS 279C.540(2), the Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work

on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work.

13. The provisions of ORS 279C.800 to ORS 279C.870 relating to the prevailing wage rates will be complied with.
- (a) The hourly rate of wage to be paid by Contractor or any Subcontractor to workers in each trade or occupation required for the public works employed in the performance of this Contract shall not be less than the specified minimum rate of wage in accordance with ORS 279C.838 and ORS 279C.840.
  - (b) The latest prevailing wage rates for public works contracts in Oregon are contained in the following publications: The January 2012 Prevailing Wage Rates for Public Works Projects in Oregon, and the January 2012 PWR Apprenticeship Rates. Such publications can be reviewed electronically at:  
  
[http://www.boli.state.or.us/BOLI/WHDPWR/pwr\\_state.shtml](http://www.boli.state.or.us/BOLI/WHDPWR/pwr_state.shtml)  
  
and are hereby incorporated as part of the Contract Documents.
  - (c) Contractor and all Subcontractors shall keep the prevailing wage rates for this Project posted in a conspicuous and accessible place in or about the Project.
  - (d) The Owner shall pay a fee to the Commissioner of the Oregon Bureau of Labor and Industries as provided in ORS 279C.825. The fee shall be paid to the Commissioner under the administrative rule of the Commissioner.
  - (e) If Contractor or any Subcontractor also provides for or contributes to a health and welfare plan or a pension plan, or both, for its employees on the Project, it shall post notice describing such plans in a conspicuous and accessible place in or about the Project. The notice shall contain information on how and where to make claims and where to obtain future information.

14. Unless exempt under ORS 279C.836(4), (7), (8) or (9), before starting work on this contract, or any subcontract hereunder, contractor and all subcontractors must have on file with the Construction Contractors Board a public works bond with a corporate surety authorized to do business in the state of Oregon in the amount of \$30,000. The bond must provide that the contractor or subcontractor will pay claims ordered by the Bureau of Labor and Industries to workers performing labor upon public works projects. The bond must be a continuing obligation, and the surety's liability for the aggregate of claims that may be payable from the bond may not exceed the penal sum of the bond. The bond must remain in effect continuously until depleted by claims paid under ORS 279C.836(2), unless the surety sooner cancels the bond. The surety may cancel the bond by giving 30 days' written notice to the contractor or subcontractor, to the board and to the Bureau of Labor and Industries. When the bond is canceled, the surety is relieved of further liability for work performed on contracts entered into after the cancellation. The

cancellation does not limit the surety's liability for work performed on contracts entered into before the cancellation. Contractor further certifies that contractor will include in every subcontract or provision requiring a subcontractor to have a public works bond filed with the Construction Contractors Board before starting work on the project, unless exempt under ORS 279C.836(4), (7), (8), or (9).

- (a) Unless exempt under ORS 279C.836(4), (7), (8), or (9), before permitting a subcontractor to start work on this public works project, the contractor shall verify that the subcontractor has filed a public works bond as required under this section or has elected not to file a public works bond under ORS 279C.836(7).
  - (b) Unless public contracting agency has been notified of any applicable exemptions under ORS 279C.836(4), (7), (8), or (9), the public works bond requirement above is in addition to any other bond contractors or subcontractors may be required to obtain under this contract.
- 15. As may be required by ORS 279C.845, Contractor or contractor's surety and every subcontractor or subcontractor's surety shall file certified payroll statements with the City in writing.
  - (a) If a contractor is required to file certified statements under ORS 279C.845, the City shall retain 25% of any amount earned by the contractor on the public works project until the contractor has filed with the City statement as required by ORS 279C.845. The City shall pay the contractor the amount retained within 14 days after the contractor files the required certified statements, regardless of whether a subcontractor has failed to file certified statements required by statute. The City is not required to verify the truth of the contents of certified statements filed by the contractor under this section and ORS 279C.845.
  - (b) The contractor shall retain 25% of any amount earned by a first-tier subcontractor on this public works contract until the subcontractor has filed with the City certified statements as required by ORS 279C.845. The contractor shall verify that the first-tier subcontractor has filed the certified statements before the contractor may pay the subcontractor any amount retained. The contractor shall pay the first-tier subcontractor the amount retained within 14 days after the subcontractor files the certified statements as required by ORS 279C.845. Neither the City nor the contractor is required to verify the truth of the contents of certified statements filed by a first-tier subcontractor.
- 16. All employers, including Contractor, that employ subject workers who work under this contract shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its subcontractors complies with these requirements.

17. All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid.
18. The contract may be canceled at the election of City for any willful failure on the part of Contractor to faithfully perform the contract according to its terms.
19. Contractor certifies that it has not and will not discriminate against minorities, women or emerging small business enterprises in obtaining any required subcontractors, or against a business enterprise that is owned or controlled by, or that employs a disabled veteran as defined in ORS 408.225.
20. Contractor certifies its compliance with the Oregon tax laws, in accordance with ORS 305.385.
21. In the performance of this contract, the Contractor shall use, to the maximum extent economically feasible, recycled paper, materials, and supplies, and shall compost or mulch yard waste material at an approved site, if feasible and cost effective.
22. As may be applicable, Contractor certifies that all subcontractors performing construction work under this contract will be registered with the Construction Contractors Board or licensed by the state Landscaping Contractors Board in accordance with ORS 701.035 to ORS 701.055 before the subcontractors commence work under this contract.
23. Pursuant to City Public Contracting Rule 137-049-0880, the City may, at reasonable times and places, have access to and an opportunity to inspect, examine, copy, and audit the records relating to the Contract.
24. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for demolition, Contractor shall salvage or recycle construction and demolition debris.
25. Pursuant to ORS 279C.510, if feasible and cost-effective and contract is for lawn and landscape maintenance, Contractor shall compost or mulch yard waste material at an approved site.
26. In compliance with the provisions of ORS 279C.525, the following is a list of federal, state and local agencies, of which the City has knowledge, that have enacted ordinances or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that may affect the performance of the contract:

FEDERAL AGENCIES:

- Agriculture, Department of
  - Forest Service
  - Soil Conservation Service
- Defense, Department of
  - Army Corps of Engineers

- Environmental Protection Agency
- Interior, Department of
  - Bureau of Sport Fisheries and Wildlife
  - Bureau of Outdoor Recreation
  - Bureau of Land Management
  - Bureau of Indian Affairs
  - Bureau of Reclamation
- Labor, Department of
  - Occupational Safety and Health Administration
- Transportation, Department of
  - Coast Guard
  - Federal Highway Administration

#### STATE AGENCIES:

- Agriculture, Department of
- Environmental Quality, Department of
- Fish and Wildlife, Department of
- Forestry, Department of
- Geology and Mineral Industries, Department of
- Human Resources, Department of
- Land Conservation and Development Commission
- Soil and Water Conservation Commission
- State Engineer
- State Land Board
- Water Resources Board

#### LOCAL AGENCIES:

- City Council
- County Court
- County Commissioners, Board of
- Port Districts
- Metropolitan Service Districts
- County Service Districts
- Sanitary Districts
- Water Districts
- Fire Protection Districts



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/28/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER KBI Insurance Inc P.O. Box 888 18660 S.W. Boones Ferry Rd. Tualatin OR 97062	CONTACT NAME: Cindy Davidow PHONE (A/C, No, Ext): (503) 692-1520 FAX (A/C, No): (503) 692-1299 E-MAIL ADDRESS: Cindy@kbi-ins.com
INSURED Fire Mountain Farms, Inc. 856 Burnt Ridge Road Onalaska WA 98570	INSURER(S) AFFORDING COVERAGE INSURER A: Depositors Insurance Company NAIC # 42587 INSURER B: AMCO Insurance Co 19100 INSURER C: INSURER D: INSURER E: INSURER F:

## COVERAGES

CERTIFICATE NUMBER: 2015

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Washington Stop Gap \$1,000,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		ACP3016710379	6/26/2015	6/26/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X		ACP3016710379	6/26/2015	6/26/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			ACP3016710379	6/26/2015	6/26/2016	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER IS ADDED AS ADDITIONAL INSURED PER ATTACHED FORM

## CERTIFICATE HOLDER

(541) 265-3301

CITY OF NEWPORT  
169 SW COAST HWY.  
NEWPORT, OR 97365

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

David Kilhefner/CMD

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